

**VOLUNTARY CLEANUP CONTRACT
18-5890-RP**

**IN THE MATTER OF
BASF/SHAW INDUSTRIES SITE, ANDERSON COUNTY
and
BASF CORPORATION**

This Contract is entered into by the South Carolina Department of Health and Environmental Control and BASF Corporation, pursuant to the Brownfields/Voluntary Cleanup Program, S.C. Code Ann. §§ 44-56-710 through 760, as amended, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. §§ 9601 to 9675, as amended, and the South Carolina Hazardous Waste Management Act (HWMA), S.C. Code Ann. § 44-56-200, with respect to the facility known as the BASF/Shaw Industries Site ("Site"). The facility property consists of two parcels in Anderson County, South Carolina: (1) a 100-acre parcel is addressed as 441 Masters Boulevard, Anderson, and is identified as Tax Map Series Number 126-00-05-001; and, (2) a 473-acre parcel at 335 and 445 Masters Boulevard, Anderson, identified as Tax Map Series Number 99-00-03-001. Jointly these two parcels are identified as the Property and a legal description of the Property is attached to this Contract as Appendix A.

DEFINITIONS

1. Unless otherwise expressly provided, terms used in this Contract shall have the meaning assigned to them pursuant to the Brownfields/Voluntary Cleanup Program, and if not set forth therein, shall have the meaning assigned to them pursuant to CERCLA, the HWMA, and in regulations promulgated under these statutes.

- A. "BASF" shall mean BASF Corporation. BASF is a Delaware corporation and maintains its principal place of business located at 100 Park Avenue, Florham Park, NJ 07932.
- B. "Contamination" shall mean impact by a Pollutant or Contaminant, Petroleum and Petroleum Product, or Hazardous Substance.
- C. "Contract" shall mean this Responsible Party Voluntary Cleanup

Contract.

- D. "Department" shall mean the South Carolina Department of Health and Environmental Control or a successor agency of the State of South Carolina that has responsibility for and jurisdiction over the subject matter of this Contract.
- E. "Hazardous Substance" shall have the same meaning as defined under subparagraphs (A) through (F) of Paragraph (14) of CERCLA § 101, 42 U.S.C. § 9601(14).
- F. "Petroleum" and "Petroleum Product" shall mean crude oil or any fraction of crude oil, which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds for each square inch absolute), including any liquid, which consists of a blend of petroleum and alcohol and which is intended for use as a motor fuel.
- G. "Pollutant" or "Contaminant" includes, but is not limited to, any element, substance, compound, or mixture, including disease-causing agents, which after release into the environment and upon exposure, ingestion, inhalation, or assimilation into any organism, either directly from the environment or indirectly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavioral abnormalities, cancer, genetic mutation, physiological malfunctions, including malfunctions in reproduction, or physical deformations, in organisms or their offspring; "contaminant" does not include petroleum, including crude oil or any fraction of crude oil, which is not otherwise specifically listed or designated as a hazardous substance under subparagraphs (A) through (F) of paragraph (14) of CERCLA § 101, 42 U.S.C. § 9601, et seq. and does not include natural gas, liquefied natural gas, or synthetic gas of pipeline quality or mixtures of natural gas and such synthetic gas.
- H. "Property" as described in the legal description attached as Appendix A, shall mean that portion of the Site, which is subject to ownership,

prospective ownership, or possessory or contractual interest of First Quality Tissue SE, LLC.

- I. "Response Action" shall mean any assessment, cleanup, inspection, or closure of a site as necessary to remedy actual or potential damage to public health, public welfare, or the environment.
- J. "Site" shall mean all areas where a Hazardous Substance, Petroleum, Petroleum Product, Pollutant or Contaminant has been released, deposited, stored, disposed of, or placed, or otherwise comes to be located; "Site" does not include any consumer product in consumer use or any vessel, as defined in CERCLA.
- K. "Voluntary Cleanup" shall mean a Response Action taken under and in compliance with the Brownfields/Voluntary Cleanup Program, S.C. Code Ann. §§ 44-56-710 to 760, as amended.
- L. "Work Plan" shall mean the plan for additional Response Actions to be conducted at the Site as described in Paragraph 3 of this Contract.

FINDINGS

2. Based on the information known by or provided to the Department, the following findings are asserted for purposes of this Contract:

- A. In 1968, the Property was originally owned and operated by Dow Badische Company, a Delaware corporation, a joint venture between BASF and Dow Chemical Company. In 1978, BASF purchased Dow's share of the joint venture and renamed the company Badische Corporation. On December 31, 1985, Badische Corporation merged with and into Inmont Corporation, a Delaware corporation, and Inmont Corporation changed its name to BASF Corporation.
- B. The facility manufactured nylon fibers. BASF continued to operate the facility until April 2003.
- C. In August 1996, BASF completed a facility assessment and

submitted the Groundwater and Soil Assessment Report to the Department. The assessment included soil sampling, well installation, seep and surface water sampling, and a Seismic Refraction Investigation to identify potential migration of Contaminants to the groundwater. A groundwater monitoring plan was recommended in the report and subsequently approved by the Department. Tetrachloroethene (PCE) and carbon tetrachloride, as well as their breakdown products, were identified as the primary contaminants in the groundwater.

- D. In 2003, BASF sold the Property to Honeywell Nylon, Inc. In July 2004, Honeywell Nylon, Inc. converted into a limited liability company using the name Honeywell Nylon, LLC. In 2005, Honeywell Nylon, LLC sold the Property to Shaw Industries Group, Inc. In May 2006, Honeywell Nylon, LLC changed its name to Honeywell Resins & Chemicals, LLC.
- E. Since 1997, BASF has conducted groundwater monitoring and continues this monitoring on a semi-annual basis.
- F. In February 2009, Shaw Industries, Inc. ceased all production at the facility; however, Shaw continued to use the Property for warehouse and shipping operations.
- G. First Quality Tissue SE, LLC (FQT) purchased the Property from Shaw in 2010. On August 4, 2010, FQT entered into a non-responsible party voluntary cleanup contract (10-5890-NRP) with the Department (NRP VCC). Prior to FQT's purchase of the Property, it performed a Phase I assessment of the Property as outlined in the NRP VCC. As part of the NRP VCC, FQT, conducted additional soil, surface water and groundwater investigations and controlled any potential impacts to indoor air. In April 2011, the Department issued a certificate of completion regarding this NRP VCC.
- H. FQT's sister company constructed another building on the most northern corner of Tax Map Number 99-00-03-00. FQT

manufactured paper tissue for various products and continues to operate at the Property.

- I. In 2011, BASF submitted a Site Conceptual Model Report to the Department. The source area for the groundwater Contamination was identified as the former Spin Finish Pond which was closed in 1989. Attenuation of compounds detected at the Property has been observed in the sentinel well for the closed Spin Finish Pond. Further, low level concentrations of tetrachloroethylene have been detected in Richland Creek running along the Property. Further investigation is necessary to evaluate the extent of the Contamination and delineate the groundwater plume(s).
- J. On April 23, 2015, the Department invited BASF to enter the Department's Voluntary Cleanup Program (VCP) in order to reach a CERCLA-quality Response Action at the Site and BASF voluntarily agreed to enter the VCP.
- K. BASF agrees to provide the necessary information and/or additional investigation if so requested by the Department in order to attain a CERCLA-quality Response Action.
- L. As of June 30, 2017, the Department has incurred approximately ten thousand, nine hundred twenty-one dollars and thirteen cents (\$10,921.13) in Past Costs at the Site. The Department is aware that additional costs have been incurred and that this figure is based on information available to the Department and reserves its right to amend, change, and/or update this Past Costs figure.

RESPONSE ACTIONS

- 3. BASF agrees to submit to the Department for review and written approval within sixty (60) days of the execution date of this Contract an Assessment Work Plan (Work Plan) that is consistent with the technical intent of the National Contingency Plan; provided, however, that this 60-day timeframe shall not begin to run until BASF has obtained sufficient access to the Property from the property owner. The Work Plan shall

summarize previous investigations performed by BASF, and include a plan for assessing the extent of volatile organic compounds (solutes) within groundwater in the area of the former Spin Finish Pond and resulting surface water Contamination in Richland Creek. The Work Plan shall be implemented upon written approval from the Department. The Work Plan shall include the names, addresses, and telephone numbers of the consulting firm, the analytical laboratory certified by the Department, and BASF's contact person for matters relating to this Contract. BASF will notify the Department in writing of changes in the contractor or laboratory. The Department will review the Work Plan and will notify BASF in writing of any deficiencies in the Work Plan, and BASF will respond in writing to the Department's comments within thirty (30) days. The Work Plan and all associated reports shall be prepared in accordance with industry standards and endorsed by a Professional Engineer (P.E.) and/or Professional Geologist (P.G.) duly-licensed in South Carolina and shall set forth methods and schedules for accomplishing the following tasks:

- A. Complete an assessment to determine the extent of volatile organic compounds (solutes) within groundwater in the area of the former Spin Finish Pond and resulting surface water Contamination in Richland Creek.
- B. Submit to the Department an Assessment Report (to include a Baseline Risk Assessment or other evaluation of risk to human health and the environment) in accordance with the schedule in the approved Work Plan. The Department shall review the report for determination of completion of the investigation and sufficiency of the documentation. If the Department determines that the field investigation is not complete, it will send written notification of such to BASF, and BASF shall subsequently conduct additional field investigation to further determine the extent of volatile organic compounds (solutes) within groundwater in the area of the former Spin Finish Pond and resulting surface water Contamination in Richland Creek. If the Department determines the field investigation is complete but the report is incomplete, the Department shall send

to BASF a letter indicating that revision of the report is necessary. Within thirty (30) days of receipt of such letter from the Department, BASF shall submit a revised report addressing the Department's comments.

- C. If determined necessary by the Department, conduct a Feasibility Study to evaluate remedial alternatives for addressing volatile organic compounds (solutes) within groundwater in the area of the former Spin Finish Pond.

4. BASF shall prepare and submit under separate cover from the Work Plan, a Health and Safety Plan that is consistent with Occupational Safety and Health Administration regulations. The Health and Safety Plan is submitted to the Department for information purposes only. The Department expressly disclaims any liability that may result from implementation of the Health and Safety Plan by BASF.

5. BASF shall inform the Department in writing at least five (5) working days in advance of all field activities pursuant to this Contract and, if deemed necessary by the Department, shall allow the Department and its authorized representatives to take duplicates of any samples collected by BASF pursuant to this Contract.

6. Within sixty (60) days of the execution date of this Contract and once a quarter thereafter, BASF shall submit to the Department a written progress report that must include the following: (A) actions taken under this Contract during the previous reporting period; (B) actions scheduled to be taken in the next reporting period; (C) sampling, test results, and any other data, in summary form, generated during the previous reporting period, whether generated pursuant to this Contract or not; and (D) a description of any environmental problems experienced during the previous reporting period and the actions taken to resolve them.

7. All correspondence which may or are required or permitted to be given by either party to the other hereunder shall be in writing and deemed sufficiently given if delivered

by (A) regular U.S. mail, (B) certified or registered mail, postage prepaid, return receipt requested, (C) nationally recognized overnight delivery service company, or (D) hand delivery to the other party at the address shown below or at such place or to such agent as the parties may from time to time designate in writing.

Unless otherwise directed in writing by either party, all correspondence, work plans, and reports should be submitted to:

The Department: Regan Rahn
 South Carolina Department Health & Environmental Control
 Bureau of Land and Waste Management
 2600 Bull Street
 Columbia, South Carolina 29201
 Email: rahnrd@dhec.sc.gov

BASF: Vernon Burrows
 BASF Corporation
 100 Park Avenue
 Florham Park, New Jersey 07932
 Email: Vernon.burrows@basf.com

All final work plans and reports shall include one (1) paper copy and one (1) electronic copy on compact disk.

PUBLIC PARTICIPATION

8. Upon execution of this Contract, the Department will seek public participation in accordance with S.C. Code Ann. § 44-56-740(D), and not inconsistent with the National Contingency Plan. BASF will reimburse the Department's costs associated with public participation (e.g., publication of public notice(s), building and equipment rental(s) for public meetings, etc.).

RESPONSE COSTS

9. BASF shall, within thirty (30) days of the execution date of this Contract, pay to the Department by certified or cashier's check the sum of ten thousand, nine hundred twenty-one dollars and thirteen cents (\$10,921.13) to reimburse estimated past response cost incurred by the Department through June 30, 2017 ("Past Costs") relating to the Site. BASF's payment for Past Costs should be submitted to:

The Department: Linda Jackson
SC Department of Health & Environmental Control
Bureau of Land and Waste Management
2600 Bull Street
Columbia, SC 29201

In accordance with §§ 44-56-200 and 44-56-740, BASF shall, on a quarterly basis, reimburse the Department for Oversight Costs of activities required under this Contract occurring after April 1, 2017. Oversight Costs include, but are not limited to, the direct and indirect costs of negotiating the terms of this Contract, reviewing Work Plans and reports, supervising corresponding work and activities and costs associated with public participation. Payments will be due within thirty (30) days of the Department's invoice date. The Department shall provide documentation of its Oversight Costs in sufficient detail so as to show the personnel involved, amount of time spent on the project for each person, expenses, and other specific costs. Invoices shall be submitted to:

BASF: Vernon Burrows
BASF Corporation
100 Park Avenue
Florham Park, New Jersey 07932
Email: Vernon.burrows@basf.com

All of BASF's payments should reference the Contract number on page 1 of this Contract and be made payable to:

The South Carolina Department of Health & Environmental Control

If complete payment of the Past Costs or of the quarterly billing of Oversight Costs is not received by the Department by the due date, the Department may bring an action to recover the amount owed and all costs incurred by the Department in bringing the action including, but not limited to, attorney's fees, Department personnel costs, witness costs, court costs, and deposition costs.

ACCESS

10. The Department recognizes that the Site is currently owned by FQT and that access to the Site is being provided to BASF pursuant to an access agreement between

FQT and BASF. The Department, its authorized officers, employees, representatives, and all other persons performing Response Actions will not be denied access to the Site during normal business hours or at any time work under this Contract is being performed or during any environmental emergency or imminent threat situation, as determined by the Department (or as allowed by applicable law). BASF shall ensure that a copy of this Contract is provided to FQT. If, after good faith attempts to gain access, BASF is unable to obtain access from FQT or any subsequent Property owner, BASF will promptly notify the Department of its inability to gain access. In such event, the Department may provide BASF with additional time to obtain access and perform Response Actions. If BASF is unable to obtain access to the Site, the Department may obtain access and perform Response Actions. All of the Department's costs associated with access and said Response Actions will be reimbursed by BASF.

RESTRICTIVE COVENANT

11. If hazardous substances in excess of residential standards exist at the Property after BASF has completed the response actions required under this Contract, a covenant placing necessary and appropriate restrictions on use of the Property shall be executed and recorded. Upon the Department's approval of the items outlined therein, the restrictive covenant shall be signed by the Department, representatives of BASF and the current owner of the Property and witnessed, signed, and sealed by a notary public. BASF or the current owner of the Property shall file this restrictive covenant with the Register of Deeds or Mesne Conveyances in Anderson County. The signed covenant shall be incorporated into this Contract as an Appendix. A Certificate of Completion shall not be issued by the Department until the restrictive covenant, if required, is executed and recorded. With the approval of the Department, the restrictive covenant may be modified in the future if additional remedial activities are carried out which meet appropriate clean-up standards at that time or circumstances change such that the restrictive covenant would no longer be applicable. The Department may require BASF or subsequent owners of the Property to modify the restrictive covenant if a significant change in law or circumstances requiring remediation occurs. BASF or subsequent owners of the Property shall file an annual report with the Department by May 31st of each

year detailing the current land uses and compliance with the restrictive covenants for as long as the restrictive covenant remains in effect on the Property. The report must be submitted in a manner prescribed by the Department.

OBLIGATIONS AND BENEFITS

12. Upon execution of this Contract by the Department, BASF, its signatories, parents, subsidiaries, successors and assigns shall be deemed to have resolved their liability to the State in an administrative settlement for purposes of, and to the extent authorized under 42 U.S.C. § 9613(f)(2), S.C. Code Ann. § 44-56-200, for the matters addressed in this Contract. "Matters addressed" are all Response Actions taken or to be taken at or in connection with this Site under this Contract and any subsequent amendments to this Contract, and all response costs incurred or to be incurred under this Contract and any subsequent amendments to this Contract. Further, by resolving its liability to the State for some or all of a Response Action in this administrative settlement, BASF may seek contribution to the extent authorized under 42 U.S.C. § 9613(f)(3)(B), S.C. Code Ann. § 44-56-200 from any person who is not a party to this administrative settlement. A thirty (30) day comment period shall be required prior to the Department's execution of this Contract, and shall commence upon publication of the notice of this proposed Contract in the *South Carolina State Register*.

13. Nothing in this Contract is intended to be or shall be construed as a release or covenant not to sue for any claim or cause of action, past or future, that the Department may have against a responsible party who is not a signatory to this Contract and who is not a signatory's parent, subsidiary, successor and assign.

14. Subject to the provisions of Paragraph 16, nothing in this Contract is intended to limit the right of the Department to undertake future Response Actions at the Site or to seek to compel parties to perform or pay for costs of Response Actions at the Site. Nothing in this Contract shall in any way restrict or limit the nature or scope of Response Actions that may be taken or be required by the Department in exercising its authority under State and Federal law.

15. Subject to the provisions of Paragraph 16, nothing in this Contract is intended to be or shall be construed as a release or covenant not to sue for any claim or cause of action that the Department may have against BASF for any matters not expressly addressed by and settled through this Contract.

16. Upon successful completion of the terms of this Contract, BASF shall submit to the Department a request for a Certificate of Completion.

Once the Department determines that BASF has successfully and completely complied with this Contract, the Department, pursuant to S.C. Code Ann. § 44-56-740(A)(5) and (B)(1), will give BASF a Certificate of Completion that provides a covenant not to sue to BASF, its signatories, parents, subsidiaries, successors and assigns for the work done in completing the Response Actions specifically covered in this Contract and completed in accordance with the approved work plans and reports. The covenant not to sue and administrative settlement for purposes of contribution protection are contingent upon the Department's determination that BASF successfully and completely complied with this Contract.

In consideration of the Department's covenant not to sue, BASF, its signatories, parents, subsidiaries, successors and assigns agree not to assert any claims or causes of action against the Department arising out of activities undertaken at the Site or to seek other costs, damages, or attorney's fees from the Department arising out of activities undertaken at the Site, except for those claims or causes of action resulting from the Department's intentional or grossly negligent acts or omissions.

17. BASF and the Department each reserve the right to unilaterally terminate this Contract. Termination may be accomplished by giving a thirty (30) day advance written notice of the election to terminate this Contract to the other party. Should BASF elect to terminate, it must submit to the Department all data generated pursuant to this Contract, and certify to the Department's satisfaction that any environmental or physical hazard shall be stabilized and/or mitigated such that the Site does not pose a hazard to human health or the environment that did not exist prior to any initial Response Action addressing

Contamination identified in this Contract.

18. The Department may terminate this Contract only for cause, which may include but is not limited to, the following:

- A. Events or circumstances at the Site that are inconsistent with the terms and conditions of this Contract;
- B. Failure to complete the terms of this Contract or the Work Plan;
- C. Failure to submit timely payments for Past Costs and/or for Oversight Costs as defined in Paragraph 9 above;
- D. Additional Contamination or releases or consequences at the Site caused by BASF, its parents, subsidiaries, successors and assigns;
- E. Providing the Department with false or incomplete information or knowingly failing to disclose material information;
- F. Change in BASF's or its parents', subsidiaries', successors' and assigns', business activities on the Property or uses of the Property that are inconsistent with the terms and conditions of this Contract;
or
- G. Failure by BASF to obtain the applicable permits from the Department for any Response Action or other activities undertaken at the Property.

19. Upon termination of this Contract under Paragraph 18, the covenant not to sue and administrative settlement for purposes of contribution protection shall be null and void. Termination of this Contract by BASF or the Department does not end the obligations to reimburse Oversight Costs already incurred by the Department and payment of such costs shall become immediately due.

20. The signatories below hereby represent that they are authorized to enter into this Contract on behalf of their respective parties.

THE SOUTH CAROLINA DEPARTMENT OF HEALTH
AND ENVIRONMENTAL CONTROL

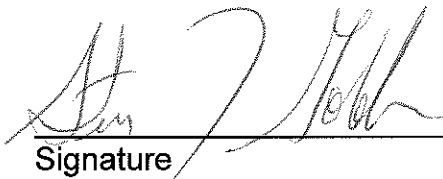
BY: _____
Daphne G. Neel, Chief
Bureau of Land and Waste Management
Environmental Quality Control

DATE: _____

Reviewed by Office of General Counsel

DATE: _____

BASF CORPORATION


Signature

DATE: Feb 12, 2018

Vice President, Deputy General Counsel & Assistant Secretary
Printed Name and Title

APPENDIX A

Legal Description of the Property

County of Anderson

Tax Map Serial Numbers 99-00-03-001 and 126-00-05-001

Tract A1:

All that certain tract and parcel of land situate, lying and being in Varennes Township, County of Anderson, State of South Carolina, shown as Tract A1 on that certain plat prepared by American Surveying Co. dated March 3, 2003, and recorded in the Office of the Clerk of Court for Anderson County, SC, on March 28, 2003, as Plat Slide 1371 at Pages 8 and 9, reference thereto being made for a more particular description of the aforesaid parcel.

Tracts C & D:

Also, all those certain tracts and parcels of land situate, lying and being in Varennes Township, County of Anderson, State of South Carolina, shown as Tracts C and D on that certain plat prepared by American Surveying Co. dated March 3, 2003, and recorded on March 28, 2003, in the Office of the Clerk of Court for Anderson County, SC, on Plat Slide 1371 at Pages 7B and 10A, reference thereto being made for a more particular description of the aforesaid parcel.

Said property also being shown and delineated on that certain plat prepared for Honeywell International, Inc. Corporation by American Engineering and Surveying Co., LLC dated September 20, 2005, last revised October 18, 2005.